Brandon Hall Group

Promoting a Diverse Leadership Team

2023

In this research summary, you will learn:

> What the current state of diversity looks like for most organizations

> What top-level leaders are doing to promote diversity in their organizations

> What strategies organizations are using to foster the development of diversity in their leadership team

> What challenges organizations are facing in creating more diverse leadership teams

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Executive Summary

Considering how important leadership diversity is to understanding and adapting to changing market conditions, diversity in a leadership team can be one of the most pressing initiatives for any organization. The benefits of doing so are numerous and long-lasting. Organizations must set a course of action.

> **So what are organizations doing to improve their leadership development for diversity?**

Previous Brandon Hall Group research has shown that only 47% of organizations plan on increasing the diversity of the leadership pipeline as a way to improve the business impact of their leaders. As it stands now, only 7% of organizations have a C-suite that is mostly diverse (over 50% diversity).

This survey, *Promoting a Diverse Leadership Team*, showed that while more organizations are championing the need for diversity throughout their organizations, their top-level leadership needs to do more to increase the diversity of their leadership pipeline. Those same leadership teams also need to do more work in promoting leadership behaviors that improve diversity.

Coaching, mentoring, and being an executive sponsor can go a long way to improving the visibility of diversity in your organization, but don't shy away from making use of technology geared for improving this exact issue. Whether it's communication techniques, mitigating bias, or anonymizing candidate info, technology can fully assist your targeted diversity efforts.

KEY QUESTIONS INCLUDE:

> What should our business look like in the next three years, and what leadership makeup will we need to achieve that goal?

> What are the key complexities keeping us from achieving our needed leadership pipeline?

> What metrics are most critical to success in our organization's move to a more diverse leadership team?

> What key skills are needed on my leadership team and what skills and competencies exist there now?

> Which people, processes and technology do we currently have in place to specifically support diversity in leadership development and selection?

Current State

The secret to developing a more diverse leadership group isn't that much of a secret: you have to promote people through the ranks who represent your community and customer base. Although only one-third of organizations have a C-suite that is more than 20% made up of under-represented groups, about one-third feel their line managers are well-populated with under-represented groups.

Although there is more awareness of the need and business value of diversity in leadership than ever before, the ability of organizations to meet that need and realize that value is developing very slowly. However, the awareness is the key first step, and having an awareness of your own organization's demographics and the demographics of your community and customer base is a vital first step. The next step, having a leadership team that mirrors the makeup of your community, is the larger and more difficult one.

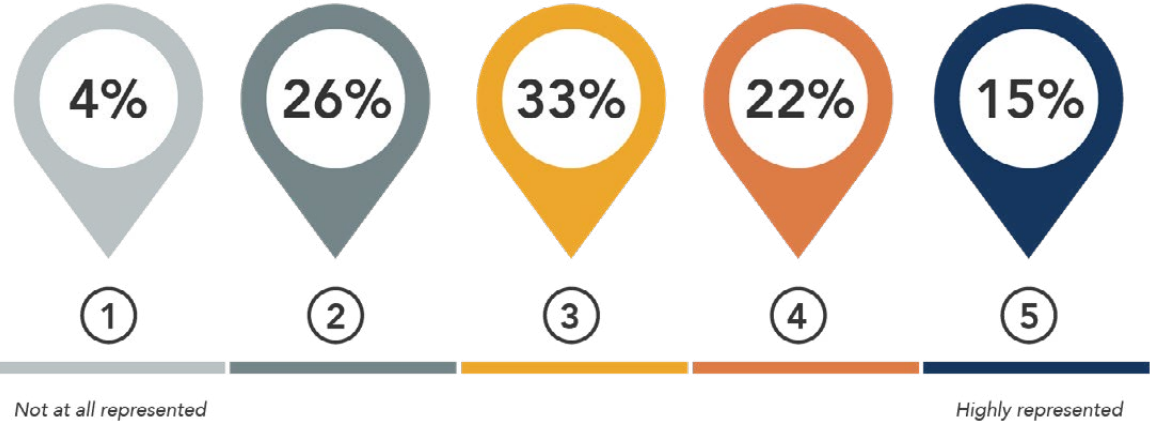**Please select the percentage range that best reflects C-Suite positions (CEO, Chief Financial Officer, Chief Technology Officer, etc.) in your organization that are occupied by under-represented employee groups**

22%	15%	15%	15%	11%	11%	4%	7%
1-5%	6-10%	11-15%	16-20%	21-30%	31-40%	51-50%	>50%
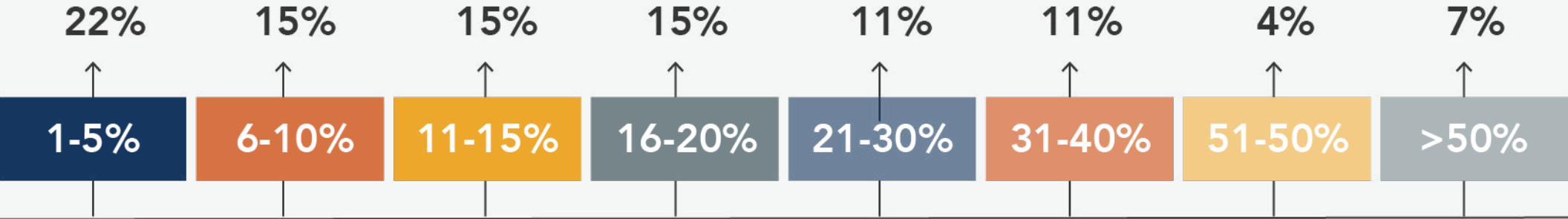
Source: Brandon Hall Group, Promoting a Diverse Leadeship Team

Compared to the diversity of your workforce and customer base, how well represented are leaders from diverse groups in senior positions below the C-Suite (AVP, VP, SVP, EVP)

Source: Brandon Hall Group, Promoting a Diverse Leadeship Team

11% ① 30% ② 30% ③ 11% ④ 19% ⑤

Not at all represented · Highly represented

4% ① 26% ② 33% ③ 22% ④ 15% ⑤

Not at all represented · Highly represented

Compared to the diversity of your workforce and customer base, how well represented are leaders from diverse groups in mid-level manager positions (Director, Manager, Supervisor, etc.)

Source: Brandon Hall Group, Promoting a Diverse Leadeship Team

Complexities

Although leaders at many organizations do an excellent job of publicly support diversity and inclusion, the nitty-gritty, daily work of creating a more diverse leadership group is a common challenge.

The areas where leadership most consistently were rated poorly were in coaching direct reports and team members and mentoring emerging leaders and high-potential leaders. Coaching and mentoring is often discussed in Brandon Hall Group research as a underused tool for good reason — many organizations consistently find that is the one area in which they most need improvement.

Talking about and caring about diversity and inclusion are extremely important, but the next part, maybe the harder part, is to walk the talk. There is help though — support can be given to leaders to help them learn how to coach and mentor more consistently, and there are technologies and other tools that can make this easier and more effective.

On a scale of 1 to 5, rate the effectiveness of your top-level leaders (CEO, C-Suite, EVP/SVP/VP/AVP) as a group in the following areas

	Not at all effective 1	2	3	4	*Very effective* 5
Actively supports a culture of diversity	10%	15%	10%	35%	30%
Actively supports a culture of inclusion	5%	10%	30%	30%	25%
Empowers collaboration to drive business results	20%	10%	20%	30%	20%
Takes responsibility for driving engagement across the organization	16%	0%	53%	16%	16%
Coaches direct reports and team members consistently	10%	25%	40%	15%	10%
Mentors emerging leaders and high-potential leaders	20%	35%	15%	20%	10%
Serves as an executive sponsor for emerging leaders	20%	30%	20%	15%	15%
Recognizes employees, including under-represented leaders, for meaningful contributors to the organization	20%	20%	15%	35%	10%
Demonstrates high emotional intelligence	5%	20%	30%	30%	15%

Source: Brandon Hall Group, *Promoting a Diverse Leadeship Team*

Please indicate which of the following strategies are used for creating a more inclusive leadership selection process in your organization
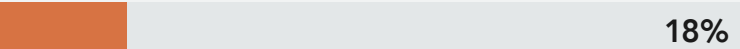
We have a leadership candidate pool that contains candidates from diverse groups for most or all positions
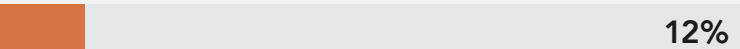
76%

We conduct unconscious bias awareness training for the leadership selection team
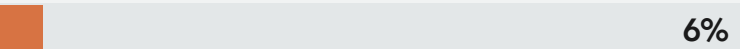
71%

We conduct adverse impact analysis on hiring to uncover unconscious bias

18%

All distinguishing characteristics (e.g., name, gender) in resumes are removed in at least the initial phases of the leadership selection process

12%

We use technology to reduce unconscious bias in leadership selection

6%

Source: Brandon Hall Group, Promoting a Diverse Leadeship Team

Please indicate which of the following strategies are used for the development of leaders from under-represented groups

56%
Diversity targets

50%
We have a network focused exclusively on growing the skills and experiences of leaders and potential leaders from under-represented groups

50%
Diversity-in-leadership employee resource group(s)

38%
Core diversity-in-leadership programs

38%
Mentorship programs for under-represented leaders

25%
Organized role model programs for aspiring diversity candidates

25%
Financial incentives for diversity in leadership

19%
Mentorship programs for high-potential diversity candidates

13%
Executive sponsorship programs for high-potential diversity candidates

Source: Brandon Hall Group, Promoting a Diverse Leadeship Team

Consequences

The consequences of a lack of diversity in leadership roles are both direct — failing to meet specific goals — and indirect such as a lack of role-modelling for the next generation or a perception of unfairness from underrepresented groups.

However, the immediate impact of not having leadership diversity is most commonly a scarcity of effective sponsors for under-represented potential leaders and a feeling of

uunconscious bias against under-represented employees, according to Brandon Hall Group research.

Both of the immediate impacts can have a vicious cycle effect on future efforts but the good news is: they can also be a virtuous circle. By creating a more visible and meaningful leadership diversity program, those leaders can be the mentors that are needed, and can work with others in ways to train against unconscious bias.

Strong* agreement on the following leadership philosophies, decisions and actions

*Strong = Rating of 4 or 5 on 5-point scale

Source: Brandon Hall Group, Promoting a Diverse Leadeship Team

58% We have too few diverse employees qualified to assume senior leadership and/or board positions

50% Our culture embraces diversity in leadership roles

45% We have a blend of targeted programs — including training, coaching, mentorships, and executive sponsorships — to prepare under-represented employees for top-level leadership roles

40% Compensation for leaders from under-represented groups is equal to the compensation for other leaders
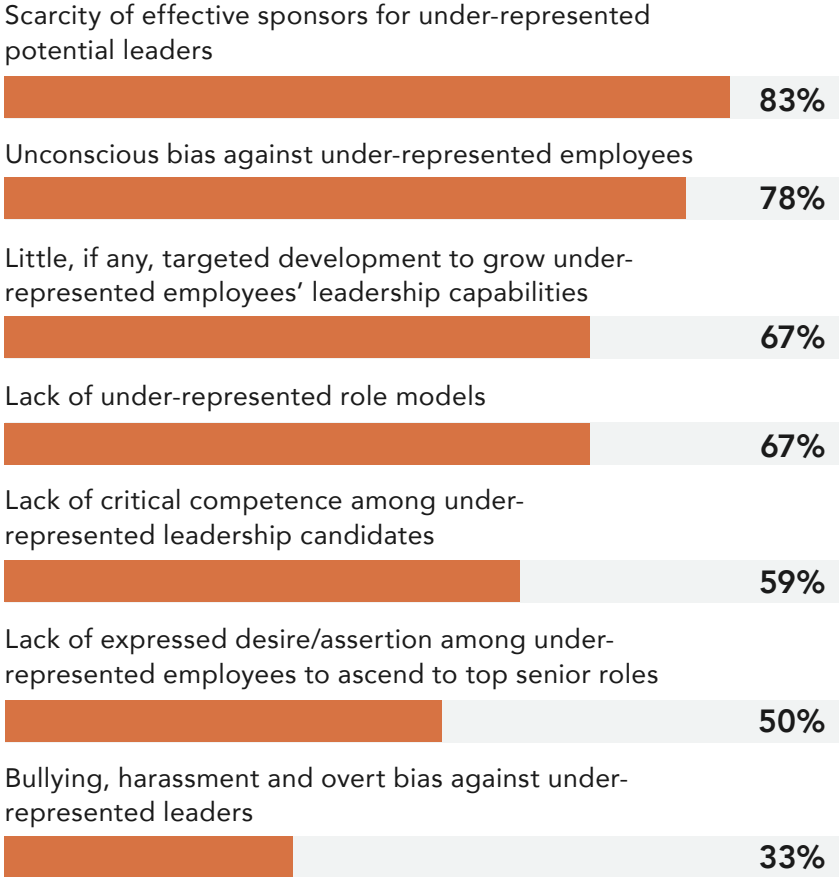
35% Our succession and promotion processes are transparent to all

30% Compared to other organizations, diverse employees here are well-represented in senior leadership and Board of Directors positions

Are your top leaders (above Director level) accountable for specific goals related to improving diversity in leadership?

50% YES   NO 50%

The following behaviors/situations have a strong* impact on impeding diverse candidates from advancing to senior leadership levels

Scarcity of effective sponsors for under-represented potential leaders

83%

Unconscious bias against under-represented employees

78%

Little, if any, targeted development to grow under-represented employees' leadership capabilities

67%

Lack of under-represented role models

67%

Lack of critical competence among under-represented leadership candidates

59%

Lack of expressed desire/assertion among under-represented employees to ascend to top senior roles

50%

Bullying, harassment and overt bias against under-represented leaders

33%

Source: Brandon Hall Group, Promoting a Diverse Leadeship Team

Questions to Consider

> What should our business look like in the next three years, and what leadership makeup will we need to achieve that goal?

> What are the key complexities keeping us from achieving our needed leadership pipeline?

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Brandon Hall Group POV

Start by Understanding the Makeup of Your Own Organization

Just a few years ago, DE&I was more of a talking point than an action plan or a fundamental aspect of doing business. So progress has been made, hover, to truly represent the groups that make-up your organization's locality and customer base, it is important to first understand your own demographics.

Gathering that demographic data can be difficult because of regulatory and logistical hurdles but that is no excuse for not making the effort. Use anonymized surveys, voluntary data collection, or other compliant and non-intrusive ways of understanding the makeup of your own workforce, and use that to fully inform your organization about the leadership pipeline. Using that same data, you can also see where in that pipeline any bottlenecks may **(missing information here)**

Let Technology Make Your Job Easier

Certainly having a more diverse leadership pipeline is the key to having a more diverse leadership team. But in order to create that pipeline, you need to be able to remove the selection and promotion bias from your leadership selection process.

This is where technology comes in — or at least it should. Only 6% of researched organizations use technology to reduce unconscious bias in leadership selection. The tools that are available now can make use of text analysis, removal of distinguishing characteristics, and unconscious bias training for interviews — all of which can go a long way to creating the right funnel for the top jobs.

Use Both a Push and a Pull Approach to Increasing Diversity for Leadership

The most common area where leaders need help was in coaching and mentoring the next generation of leaders coming up through the pipeline. At the same time, only half of all organizations reward leaders for creating more leadership diversity.

So what is needed is to tackle the problem in a multi-pronged approach: both train leaders to actively develop the diversity of the pipeline through coaching and mentoring, and hold them accountable if they are not achieving this (and of rewarding them for succeeding.

Demographics:

2022 Brandon Hall Group Study: Promoting a Diverse Leadership Team

32 Respondents

38% **SMB**
(less than 5,000 employees)

62% **Large**
(5,000+ employees)

Top Industries: Technology/Software, Healthcare, Education, Government and Banking

Geographic Distribution:

44% Organizations with multiple locations across the globe

20% Organizations located in one country with multiple locations

18% Organizations located in one country with some global distribution

18% Organizations located in one country in one location

Authors and Contributors

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About Brandon Hall Group

With more than 10,000 clients globally and 30 years of delivering world-class research and advisory services, Brandon Hall Group is focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

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